



MEMORANDUM

To: Members of the House Great Lakes and Environment Committee

From: Jim Holcomb – Vice President, Business Advocacy & Associate General Counsel and
Doug Roberts, Jr., Director of Environmental and Energy Policy

Subject: Senate Bills 388 and 389 (Use of License Plate Fees for State Parks)

Date: December 3, 2009

Please be advised that the Michigan Chamber of Commerce strongly **opposes SB 388 and 389** (Use of license plate fees for State Parks). We urge your opposition to this legislation. This is an important vote for our membership and we hope that you will consider the negative impact enactment of these bills will have on our transportation infrastructure and job creation.

Diversion of Transportation Funds

Michigan's transportation system is currently facing a critical shortage of needed resources to address the rapidly deteriorating condition of roads and bridges, and the need to improve public transit. Senate Bills 388 and 389 would exacerbate the current transportation funding crisis by inappropriately diverting monies to maintenance of state parks. Further, reducing already limited resources for transportation will mean the loss of thousands of good-paying jobs at a time that Michigan can least afford such a setback. Our state has been battered enough during this economic downturn and we should not exacerbate our problems by inappropriately diverting funds. State parks are important, but having good roads and bridges are critical to the future of Michigan's economy.

Park Fees Should Support State Parks

State Parks play an important part of Michigan's Travel and Tourism industry, but when the state is struggling to find financial footing, the most appropriate way to increase revenue for parks is through user fees. The Michigan Chamber of Commerce would support reasonable park fee increases to provide additional resources for recreation.

Potential Legal Concerns

We have serious concerns that this legislation may violate Article IX, Section 9 of the Michigan Constitution by diverting transportation tax revenue for non-transportation purposes. This is an important infrastructure protection and should not be cast aside. Also, there is the issue of whether the proposed legislation enacts a tax or a fee. In *Bolt v. City of Lansing*, the Michigan Supreme Court held that for a financial remittance to be categorized as fee and not a tax, the proposed revenue mechanism must be voluntary. The House version of the bill requiring an opt-out of the fee would likely violate the Bolt test and place an undue burden on your constituents.

We urge you to **vote no on SB 388 and 389**. If you have any questions about the position of the Michigan Chamber, please feel free to contact Jim Holcomb or Doug Roberts at (517) 371-2100.